DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

April 23, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Madam Speaker, Senator Reid, Representative Boehner, and Senator McConnell:

The financial crisis pulled our economy into a deep recession and damaged faith in the integrity of our financial institutions and markets. As Congress considers the next steps in repairing our financial system through comprehensive financial regulatory reform, I wanted to update you on the progress we have achieved to date and what we are doing to extend the financial recovery to all Americans.

- The policies of the Obama Administration, in conjunction with those of the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC) and other regulatory agencies, have stabilized our financial system. As a result, the cost of borrowing has fallen dramatically for many consumers, homeowners, businesses, and state and local governments. Lower borrowing costs, as well as the broader recovery of a range of financial markets, have been critical to the turnaround in our economy.

- Aggressive policy action has also helped to restructure our financial system. When the Obama Administration took office, we implemented stress tests to force the major banks to raise the private capital they would need to absorb losses from a deep crisis. The banking system is now better capitalized than before the crisis, and most large banks have repaid public funds and generated profits for taxpayers.

- The cost of stabilizing the financial system is likely to be significantly lower than previously expected. A year ago we estimated that our support for the financial system could cost more than $500 billion or 3.5 percent of GDP. We now expect that the direct costs of all our interventions will cost less than 1 percent of GDP. This means that the Federal deficit and debt will be substantially lower than previously expected.

- We are ending the Troubled Asset Relief Program (TARP) as quickly as possible, along with other government programs put in place to address the crisis. Before this Administration took office, roughly three-quarters of the banking system (weighted by assets) had TARP capital. Today that number is down to one-fifth and falling. As of April 20, 2010, we had already recovered more than $185 billion of TARP investments and generated more than $19 billion in returns for taxpayers. The return on fully-realized TARP investments in banks is nine percent.

However, the financial and economic recovery is incomplete. Millions of Americans are still unemployed and at risk of losing their homes. Many small businesses and consumers still face tight credit conditions, as the banking sector continues to experience substantial losses and regulatory uncertainty. We are continuing to work to address these urgent challenges.

THE STATE OF THE U.S. FINANCIAL SYSTEM

Thanks to the coordinated and forceful actions of the Congress, the Obama Administration, the Federal Reserve, the FDIC, and other regulatory agencies, the U.S. financial system and economy have experienced significant recoveries over the past year. Both financial and fiscal policies were critical to achieving that outcome. One could not have succeeded without the other. Congress deserves credit for passing bold legislation to provide authority for each.

A combination of federal loans, capital injections, and guarantees has helped restore investor confidence in U.S. financial markets. Interbank lending rates, which reflect stress in the banking system and serve as benchmarks for loans to consumers and businesses, have returned to levels associated with more stable times. Measures of investor confidence in financial institutions have also improved significantly.

Restored investor confidence and accommodative monetary policy have translated into lower borrowing costs for consumers, homeowners, businesses, and state and local governments. Yields on corporate debt have fallen substantially since the peak of the crisis, enabling companies to fund growth. Rates on loans to small businesses—which rely heavily on banks for financing—have fallen to historical lows. Residential mortgage rates are also near historical lows.

Lower borrowing costs have been important to the economic recovery. Lower mortgage rates have stimulated home sales and refinancing. Corporations have raised more than $1 trillion from issuing bonds over the past year, and there are signs that they are putting those funds to work. Lower interest rates and the Build America Bond program have helped state and local governments access financing to help cushion the blow against a deep recession. In a recent report, we noted that Build America Bonds issued so far have saved state and local governments more than $12 billion in net present value borrowing costs.

However, the value of loans on banks' balance sheets is still falling. This reflects a variety of factors. Surveys of banks suggest that weak demand for credit is partially responsible for the slow growth of loans. Households have increased their savings, which is important to making household finances more sustainable over the long term. In addition, changes in the reported value of loans on banks' balance sheets understates the amount of new lending because write-downs of existing loans have been unusually high in recent quarters. Nonetheless, a variety of factors are holding down new lending by banks: uncertainty concerning financial reform and the value of commercial mortgages, which represent the majority of small bank assets; increasing bank failures; and ongoing deleveraging in the industry. Lower interest rates and government infusions of capital into banks have helped to offset these factors and slow the contraction in lending as the banking sector and borrowers adjust. As discussed below, we continue to design initiatives to improve access to credit for small businesses, which rely much more on bank lending than larger businesses.

A key objective of the Financial Stability Plan was restarting securitization markets important for consumer and small business credit. The Term Asset-Backed Securities Loan Facility (TALF) helped boost demand for asset-backed securities (ABS) that provide critical support for consumer credit provided through credit cards, auto loans, and other lending. Issuance of ABS for auto loans, for example, is roughly 90 percent of its 2000-04 average, a period of relatively sustainable growth in the ABS market. However, issuance of commercial mortgage-backed securities (MBS) remains very low.

Government initiatives have also helped improve markets for troubled securities that had been contributing to the contraction in bank lending. The Legacy Securities Public-Private Investment Program (S-PPIP) has increased demand for existing commercial and non-agency mortgage-backed securities (MBS), which allows financial institutions to re-deploy capital tied up in these assets and extend new credit to households and small businesses. Announcements for the program last year had a positive impact on prices, and they have continued to improve since the Public-Private Investment Funds started to purchase existing securities from banks last fall. For example, prices for some highly-rated commercial MBS have increased 40 percent since March 2009.

However, flow of new credit in residential MBS and housing markets generally remains dependent on government support. Private issuance of residential MBS is moribund, and the majority of new residential credit in the United States continues to be supported by government-sponsored enterprises (GSEs), in particular Fannie Mae and Freddie Mac, as well as by Federal home loan guarantee programs, such as those administered by the Federal Housing Administration and Department of Veterans Affairs. We are working to reactivate private sources of residential lending while preserving broad mortgage availability and affordability. And we are developing proposals to reform the housing finance system in this country to help achieve those goals.

The "stress tests" of our largest financial institutions, combined with improvements in credit conditions, allowed them to stand on their own. Early last year, many commentators argued that major U.S. banks should be nationalized. Instead, we implemented stress tests to force them to raise the private capital they would need to absorb losses and to provide the transparency necessary for them to do so. The strategy succeeded. Since the results of the stress tests were announced last May, banks have raised more than $150 billion in high-quality capital and more than $75 billion in non-guaranteed unsecured debt. Banks have used this private capital and revenues from operations to repay the government investments. And even after these repayments, our major financial institutions are better capitalized than before the crisis.

Meanwhile, our financial system has undergone significant restructuring. Weak and risky financial institutions within and outside the banking sector have failed since the onset of this crisis. This includes more than 180 depository institutions, some of which—Washington Mutual and Wachovia—were among the largest in the country. The "shadow banking" industry is substantially smaller. Investment banks Lehman Brothers and Bear Stearns failed, as did specialty lenders such as Countrywide. Funding through overnight repurchase agreements has fallen more than 40 percent from its peak of nearly $3 trillion. And asset-backed commercial paper outstanding has fallen from roughly $1.2 trillion to about $400 billion today.

While the health of our largest institutions has improved, many small and medium-sized banks are threatened by losses from commercial and residential real estate loans. Future bank failures may further damage small business credit and local communities. Moreover, the financial system as a whole continues to pose the same risks that created the crisis. As discussed below, comprehensive financial reform is needed to curb these risks and protect our economy.

EXITING GOVERNMENT FINANCIAL PROGRAMS AND REPAYING TAXPAYERS

Our progress to date in stabilizing the financial system, bringing down the cost of credit, and opening up capital markets has enabled us to begin terminating and winding down many of the programs put in place to address the crisis. Last September, Treasury ended its Money Market Fund Guarantee Program, which at its peak guaranteed more than $3 trillion of assets. The program incurred no losses and generated $1.2 billion in fees. FDIC's Temporary Liquidity Guarantee Program (TLGP) Debt Guarantee Program ended new issuance in October, and the TLGP Transaction Account Guarantee Program is scheduled to end later this year. Credit extended through extraordinary Federal Reserve liquidity programs has declined substantially, and the majority of those programs were terminated in February. Treasury ended its purchase program for GSE MBS in December, and the Federal Reserve completed its purchases of GSE MBS and debt last month.

Figure 1: TARP Commitments and Repayments as of April 16, 2010 (US$, billions)

	Commitments Pre-Jan. 20 [1/]	Commitments Jan. 20 - Present [1/]	Repayments and Cancelled Commitments [1/]	Outstanding Commitments [1/ 2/]	Anticipated Future Commitments [1/]
Targeted Investment Program (Citi, BofA) [3/]	40	0	40	0	0
Special Assistance for AIG	40	30	0	70	0
Automotive Industry Financing Program	21	64	5	80	0
Asset Guarantee Program [3/]	5	0	5	0	0
Capital Purchase Program	194	11	136	69	0
Consumer & Business Lending Initiative	0	20	0	20	32 [4/]
Public-Private Investment Program	0	30	0	30	0
Home Affordable Modification Program [5/]	0	41	0	41	9
Total	**300**	**197**	**186**	**310**	**41**

[1/] Estimates may not sum to total due to rounding.
[2/] Legally binding commitments minus repayments and cancelled commitments
[3/] Terminated.
[4/] While $30B has been reserved for a small business lending program, the Administration has proposed creating a $30B Small Business Lending Fund separate from TARP through legislation. Not more than $1 billion is planned for SBA 7(a) purchases and not more than $1B is planned for the Community Development Capital Initiative (CDCI).
[5/] Includes $1.244 billion in commitments and disbursements for the Helping Families Save Their Home Act of 2009.

Source: Treasury.

Many programs established under TARP are also winding down. The Capital Purchase Program, under which the bulk of support to banks has been provided, is closed, and to date banks have repaid 70 percent of TARP funds they received. When this Administration took office, nearly $240 billion of TARP capital had been invested in banks that accounted for roughly three quarters of sector assets. Today, most large U.S. banks have repaid all TARP funds, and banks that have not repaid together account for only one fifth of sector assets. By comparison, since President Obama took office, Treasury has invested only $7 billion in banks, most of which are small or medium in size.

While helping to stabilize the financial system, TARP investments in banks have also generated more than $19 billion in income for taxpayers from dividends, warrant sales, and fees from cancelled guarantees. The return on fully-realized TARP investments in banks is nine percent.

AIG is making progress in restructuring its operations to reduce its risk to our economy and to repay taxpayers. AIG is winding down its Financial Products subsidiary, where AIG's risks were concentrated. The company recently announced agreements to sell two large subsidiaries for a total of more than $50 billion, which will be used to pay down the loan from the Federal Reserve. We expect that AIG will complete additional asset sales and continue to enhance revenues, consistent with its strategy to repay taxpayers. However, TARP investments in AIG will likely still result in some loss. The FY2011 Budget projected that those investments would result in a fiscal cost of nearly $50 billion. Today, on the basis of a range of measures, Treasury believes that losses on its investments in AIG are likely to be substantially lower.[1]

The auto industry has also undergone significant restructuring, and prospects for repayment of government investments in the industry have improved. GM and Chrysler have increased sales and revenues. Chrysler Financial has fully repaid (with interest) the $1.5 billion loan that it received. Last year Treasury terminated the Warranty Commitment Program, and the Supplier Support Program will wind down this month. GM recently repaid its TARP loans in full (with interest), and Treasury plans to recover additional investments in the company when GM launches an initial public offering. Treasury will also likely exit its investment in GMAC through a gradual sale of shares following a public offering. As with AIG, government investments in GM, Chrysler, and GMAC will likely result in some loss, but we currently anticipate that it will be much lower than was forecast last year.

More broadly, the government will continue its efforts to maximize taxpayer returns from investments in these institutions and banks and to facilitate the quickest exit possible. Treasury intends to sell its holdings of Citigroup common stock by the end of this year. Based on current market prices, the liquidation of our Citigroup position should generate a significant return for taxpayers, which was not reflected in the FY2011 Budget projections. Treasury will also conduct additional auctions of warrants received from banks, which will increase taxpayer returns. Finally, Treasury will exercise its voting rights in outstanding common stock investments only on core issues such as election of directors, and not interfere in the day-to-day management of companies.

THE FISCAL COST OF STABILIZING THE FINANCIAL SYSTEM

The expected fiscal cost of government intervention has fallen significantly. In early 2009, we estimated that the fiscal cost of TARP and additional financial stabilization efforts could exceed $500 billion, or 3.5 percent of GDP. We now expect that the direct costs of all our financial interventions will be less than 1 percent of GDP.

In the President's FY2011 Budget we estimated that the aggregate impact of TARP on Federal deficits would be $117 billion (see Figure 2), down from an estimated impact of $341 billion last August in the Mid-Session Review of the President's Budget. Lower utilization, faster

[1] The Congressional Budget Office recently estimated that losses on all Treasury investments in AIG would be $36 billion. Congressional Budget Office, *Report on the Troubled Asset Relief Program*, Mar. 2010, at 3-4, available at http://www.cbo.gov/ftpdocs/112xx/doc11227/03-17-TARP.pdf.

repayment, and improved financial conditions have already reduced the program's impact on deficits and debt. Moreover, if the Financial Crisis Responsibility Fee is adopted by Congress, taxpayers will not lose a penny from TARP.

In addition to the TARP losses noted above, we expect to incur substantial losses from our support for the GSEs, specifically through capital injections from Treasury to the GSEs through the Preferred Stock Purchase Agreements (PSPAs). Losses on those capital injections are already anticipated in the President's FY2011 Budget. They are highly sensitive to the path of housing prices and employment, which will affect GSE gains or losses, particularly on their existing assets and obligations. If housing and employment conditions worsen, the cost of supporting the GSEs could be significantly higher.

We expect that some of the government's projected losses will be offset by fiscal resources from two sources. Under authority provided by HERA, Treasury purchased over $200 billion in GSE MBS. Gains on those purchases will provide a partial offset to losses on capital invested in the GSEs through the PSPAs. In addition, transfers from the Federal Reserve to the Federal Budget have increased sharply in recent months and they are projected to remain high for some time. This reflects the substantial expansion of the Federal Reserve's balance sheet in response to the financial crisis. The amount of earnings on the Federal Reserve's portfolio in coming years is uncertain and will depend in part on how the economy and financial markets evolve. While considerable uncertainty remains, we currently expect that revenues from these two sources will offset losses from our support for the GSEs through the PSPAs. Note that we expect that FDIC guarantee programs will not pose a drain on the budget because losses incurred through those programs should be fully compensated by fees from participating banks.

Consequently, the overall direct fiscal cost of our financial interventions is not likely to be greater than the ultimate losses associated with TARP.

If our projections prove accurate, this relatively low fiscal cost of less than one percent of GDP will be notable compared to other experiences with systemic financial crises over the past 40 years. An IMF study found that the average net fiscal cost of resolving roughly 40 banking crises since 1970 was 13 percent of GDP.[2] And according to the GAO, the net fiscal cost of cleaning up the U.S. savings and loan crisis was 2.4 percent of GDP.[3]

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[2] Luc Laeven and Fabian Valencia, *Systemic Banking Crises: A New Database*, IMF Working Paper No. 08/224 (2008). Net fiscal cost is defined as gross fiscal cost minus costs recovered within five years after the start of the crisis.

[3] Government Accountability Office, *Financial Audit: Resolution Trust Corporation's1995 and 1994 Financial Statements* (1996), available at http://www.gao.gov/archive/1996/ai96123.pdf. Others have estimated the cost to be higher. For example, one widely-cited IMF study estimated the cost to be 3.2 percent of GDP. Edward Frydl, *The Length and Cost of Banking Crises*, IMF Working Paper No. 99/30 (1999).

Figure 2: Government Financial Programs, Projected Fiscal Costs [1/]

	Total Anticipated Income/Cost (US$, billions)	Share of GDP (%)	Income to Date (US$, billions)
TARP [2/]	**-117** [2/]	***-0.8***	**20**
Targeted Investment Program (Citi, BofA)	4	*0.0*	4
Special Assistance for AIG	-48	*-0.3*	0
Automotive Industry Financing Program	-28	*-0.2*	1
Asset Guarantee Program [3/]	3	*0.0*	1 [3/]
Capital Purchase Program	4	*0.0*	14
Consumer & Business Lending Initiative	-2	*0.0*	0
Public-Private Investment Program	0	*0.0*	0
Home Affordable Modification Program	-49	*-0.3*	-
Memo Items:			
HERA/GSEs [4/]	**-85** [4/]	***-0.6***	**10**
Federal Reserve Programs [5/]	**115** [5/]	***0.8***	**4**
FDIC Programs	**0**	***0.0***	**85**
TLGP Programs [6/]	**0** [6/]	***0.0***	**11**
Deposit Insurance [7/ 8/]	**0** [7/]	***0.0***	**74** [8/]

[1/] Estimates are highly uncertain and depend on future financial and economic conditions, in particular the path of interest rates, future bank losses, and the evolution of the housing market.

[2/] Estimates from FY2011 Budget, which reflect the deficit impact of TARP before administrative costs and interest effects. The FY2011 Budget included downward interest on reestimates of TARP programs of approximately $10 billion, for a total subsidy cost of $127 billion.

[3/] Treasury has received $0.3 billion in dividends from Trust Preferred Securities (TRUPs) issued by Citigroup in exchange for Treasury participating in the now cancelled loss-sharing agreement. Treasury and FDIC also retained $5.2 billion (face value) of TRUPs when Citigroup cancelled the agreement. Bank of America paid Treasury $0.3 billion to cancel the term sheet for its loss-sharing agreement.

[4/] The estimated cost of $85 billion for HERA/GSEs is the sum of two parts: (i) a cost of $103 billion, reflecting the present value of Treasury cash flows to and from Fannie Mae and Freddie Mac through the Preferred Stock Purchase Agreements (PSPAs); and (ii) a positive return of $18 billion, reflecting the present value of cash flows from Treasury's portfolio of GSE MBS. This analysis used projected cash flows associated with the PSPAs that were published in the FY2011 Budget, and State Street Global Advisors' (SSGA) projections of cash flows from Treasury's portfolio of GSE MBS. SSGA is Treasury's custodian for its GSE MBS holdings. For comparison, the present value of CBO's most recent estimates for net cash flows associated with the PSPAs is $167 billion. Estimates of costs associated with the PSPAs are highly sensitive to the path of housing prices and employment, which will affect GSE losses.

[5/] Treasury estimates of "excess" earnings from the Federal Reserve applied to the Budget. "Excess" earnings reflect earnings on loans and asset purchases made by Federal Reserve through extraordinary programs put in place to address the financial crisis. We assume that "excess" earnings will be realized by 2015. The Federal Reserve generates significant income on its assets during "normal" times, the majority of which it remits to Treasury. For example, in 2006, prior to the financial crisis, the Federal Reserve remitted $30 billion of such earnings. To estimate "excess" earnings, we calculate a path of "normal" earnings since 2006. We assume earnings would have increased at a uniform rate from 2006 (actual) to the level projected by the FY2011 Budget for 2016. Future cash flows are discounted to present value. The amount of future Federal Reserve earnings is uncertain and will depend on future financial and economic conditions.

[6/] The FDIC expects that fees paid by participating institutions will cover any losses associated with TLGP Debt Guarantee and Transaction Account Guarantee Programs.

[7/] Although the Deposit Insurance Fund (DIF) balance fell to negative $21 billion as of December 31, the FDIC reported $66 billion of cash and marketable securities as of the same date. The DIF is funded through assessments on insured institutions. The FDIC has projected that bank and thrift failures will peak in 2009 and 2010 and that industry earnings will have recovered sufficiently by 2011 to absorb a 3 basis point increase in deposit insurance assessments. The FY2011 Budget projects that the DIF reserve ratio will return to 1.15 percent in 2018.

[8/] Includes approximately $46 billion of prepaid assessments collected on Dec. 30, 2009 for 13 quarters (2010Q1-2013Q1).

Sources: FY2011 Budget; Treasury; State Street Global Advisors; Congressional Budget Office.

These estimates provide a meaningful way to compare the direct fiscal cost of resolving financial crises across countries and time. However, they do not reflect the full costs of financial crises. Most importantly, financial crises can lead to substantial economic contractions, involving lost jobs and income. Such costs have been tremendous as a result of the current crisis. Millions of Americans have lost their jobs, and businesses have failed. Moreover, lost tax revenues and necessary additional spending to mitigate the effects of the economic downturn are adding to the long-term fiscal burdens of federal, state, and municipal governments.

In this context, the fact that the direct fiscal cost of the government's financial policies is falling substantially is important. Lower costs for TARP and other policies that have addressed the financial crisis mean more resources are available to meet other critical needs.

BROADENING THE SCOPE OF THE FINANCIAL RECOVERY FOR ALL AMERICANS

Although conditions have improved, the financial recovery is incomplete and significant risks remain. We are working with the Congress to broaden the scope of the financial recovery for all Americans.

Substantial risks remain in housing. Persistent high unemployment and high loan-to-value ratios weigh on the finances of many Americans and will lead to additional foreclosures, which could slow the recovery in housing markets. As discussed above, housing finance markets also remain largely dependent on government support. Most new mortgage issuance is supported by Federal guarantees and the GSEs in conservatorship. We are working to promote and maintain stability in housing markets, and to mitigate foreclosure for responsible but at-risk homeowners. We are developing proposals to reform the country's housing finance system, while preserving broad mortgage availability and affordability across the market.

Credit remains tight for many consumers and small businesses. Banks have tightened standards for most types of consumer credit, including credit cards and auto loans, contributing to a record decline in consumer borrowing. Small businesses rely heavily on bank loans, which continue to contract. We are seeking legislation to create a new $30 billion Small Business Lending Fund (SBLF) outside of TARP that would provide small and community banks new capital with incentives to increase small business lending. We are also working with Congress to consider other initiatives that might be included in the SBLF. This proposal would complement provisions of the American Recovery and Reinvestment Act designed to enhance the ability of the Small Business Administration to make credit more available to small businesses.

Parts of our banking system remain at risk. Losses on consumer and commercial loans remain elevated. Commercial and residential real estate losses also pose a risk, particularly for small and mid-sized banks. Future losses will likely result in additional bank failures, in particular among small banks. Indeed, federal regulators have identified more than 700 "problem" institutions—accounting for roughly three percent of FDIC-insured assets—with significant financial, operational, or managerial weaknesses, which could lead to more failures. Nearly 80 percent of these "problem" institutions have exposure to commercial real estate that exceeds risk guidelines.

As we wind down many of the government programs put in place to address the crisis, new shocks could derail our financial and economic recovery. Authority that Congress provided in the Emergency Economic Stabilization Act remains in place through October to protect our economy against these known and unknown risks.

Finally, we remain focused on accelerating job growth. Congress passed, and the President signed, a tax incentive to encourage small businesses to hire unemployed workers under the HIRE Act. Building on the tax cuts in the Recovery Act, we have proposed a complete elimination of capital gains taxes on certain small business investment along with an extension of write-offs to encourage small businesses to expand and make new investments. We are proposing a boost in investment in the nation's infrastructure beyond what was included in the

Recovery Act, to continue modernizing our transportation and communications networks. We have proposed a new program that will create jobs by providing incentives for consumers who retrofit their homes to become more energy efficient. In addition, our efforts to improve credit for small businesses, including the SBLF, should contribute to job growth.

FINANCIAL REFORM TO BUILD A STABLE FOUNDATION FOR GROWTH

The financial crisis was in large part the result of failures in government policy and oversight; that is, failures in the design and enforcement of rules and regulations. But we are still living with the same regulatory system that brought us to the edge of collapse. Even as credit markets improve and borrowing costs fall, businesses across the country have indicated that banks are lending less in part because they are uncertain about the ultimate outcome of financial reform legislation. Delaying reform only prolongs that uncertainty. Financial reform is necessary to help prevent future crises and bring certainty to the families and businesses that depend on the financial system to protect their savings and finance their home purchases, college educations, or business growth.

The Administration is currently working with the Senate to pass a comprehensive financial reform bill, in line with the strong bill passed by the House last December. These bills would establish stronger supervision for financial firms – especially for the largest, most interconnected firms. They would bring transparency and oversight to derivatives and other key financial markets that were central to the crisis. They would create an independent authority for consumer protection to set and enforce clear rules of the road. To prevent future bailouts and protect taxpayers from risk of loss, the business of banking would be separated from speculative proprietary trading. And these bills would give us the tools to limit the risk that any firm will be "too big to fail" and authority to resolve failing institutions without bailouts.

The Congress has played a critical role in pulling our financial system back from the brink of collapse. You have provided essential authority and guidance to two administrations to combat the worst economic and financial crisis this country has faced in 70 years. I look forward to working with you and your colleagues to finish the job by passing comprehensive financial reforms that allow us to build a more stable foundation for economic growth.

Sincerely,

Timothy F. Geithner

Timothy F. Geithner